



INFORMATIONAL LETTER NO. 2384-MC-FFS

DATE: September 30, 2022

TO: Home- and Community-Based Services (HCBS) Waiver and State Plan HCBS Habilitation, Home Health Agencies, Targeted Case Management (TCM), Behavioral Health Intervention Services (BHIS), Applied Behavioral Analysis (ABA) Providers, Community-Based Neurobehavioral Rehabilitation Services (CNRS), Behavioral Health Service Providers

APPLIES TO: Managed Care (MC), Fee-for-Service (FFS)

FROM: Iowa Department of Health and Human Services (HHS), Iowa Medicaid

RE: American Rescue Plan Act (ARPA) HCBS Health Information Technology (IT) and Infrastructure Grant

EFFECTIVE: Upon Receipt

Beginning October 1, 2022, Iowa Medicaid will accept applications from eligible providers to receive funds from the ARPA HCBS Health IT and Infrastructure Grant.

Grants will serve the purpose of assisting qualified HCBS providers with funding projects that improve, enhance, and/or expand HCBS, including but not limited to those that allow providers to implement meaningful use of certified electronic health records (EHR) systems; to fully comply with the [HCBS settings rule](#)¹ or [electronic visit verification \(EVV\) requirements](#)²; or to otherwise expand their capacity to serve HCBS waiver or HCBS habilitation participants.

Eligible providers for the HCBS Health IT and Infrastructure Grant include:

- 1915(c) HCBS waiver providers, including case management and consumer choices option (CCO) employees.
- 1915(i) state plan HCBS habilitation providers, including case management.
- Home health agencies delivering HCBS waiver services, personal care and private duty nursing.
- TCM.
- Rehabilitative service providers including:
 - Assertive community treatment (ACT) providers.

¹ <https://dhs.iowa.gov/ime/about/initiatives/HCBS>

² <https://dhs.iowa.gov/ime/providers/EVV>

- ABA.
- BHIS.
- CNRS.
- Behavioral health service providers delivering mental health services or substance use disorder services.

To be eligible for grant funds, providers must meet these requirements:

- They billed a managed care organization (MCO) or FFS Medicaid for eligible services provided between July 1, 2020, and June 30, 2021.
- They continued to provide patient care after April 1, 2021.
- They have not permanently ceased providing patient care directly or indirectly.
- With respect to Medicare, any state Medicaid program, and any federal health care program, the recipient is not:
 - suspended or excluded from participation.
 - suspended from receiving payments.
 - under any other sanction or penalty.

Eligible Projects

Projects may include but are not limited to those listed below.

- Projects that expand providers' capacity to serve HCBS participants. Examples of projects include but are not limited to:
 - Vehicles – purchasing new or modifying existing vehicles to transport HCBS participants in more individualized ways
 - Vehicles – purchasing new or modifying existing vehicles for use by staff to conduct HCBS (on-call response, medication administration, planning meetings, etc.)
 - Purchase of single-family homes in neighborhoods in the community to expand access to HCBS residential services to individuals with multi-occurring diagnoses and complex needs; and those transitioning from hospitals, nursing facilities, skilled nursing facilities, rehabilitation facilities, and other congregate care settings
 - Renovations to existing homes and buildings where direct services are provided
 - Accessibility
 - Safety
 - Service expansion (adding space to accommodate additional service recipients)
 - Purchase of critical building systems
 - Upgrading or purchasing electrical, heating, ventilation, air conditioning, security, life safety, lighting, utilities, telecommunications, and energy management
- Projects that improve access to care and monitoring of the quality of care for HCBS Medicaid members
 - Purchasing of certified EHR technology to improve the quality of member care

- New or upgraded technology
- Purchasing or updating internal IT systems
- Modifying current software or hardware
- Training costs related to implementing technology
- Projects to fully comply with federal EVV requirements. Examples of projects include, but are not limited to:
 - New or upgraded technology to allow for compliance with EVV
 - Purchasing or updating internal IT systems
 - Modifying current software or hardware
 - Training costs related to implementing technology
- Purchasing of electronic service record technology
 - New or upgraded technology to allow for compliance with service documentation requirements
 - Purchasing or updating internal IT systems
 - Modifying current software or hardware
 - Training costs related to implementing technology
- Purchasing of telehealth equipment and software
 - The technology and equipment must comply with all relevant safety laws, rules, regulations, and codes for technology and technical safety for devices that interact with patients or are integral to diagnostic capabilities.
 - The technology and equipment must be of sufficient quality, size, resolution, and clarity such that the licensee can safely and effectively provide the telemedicine services.
 - The technology and equipment utilized in the provision of telemedicine services must be compliant with HIPAA.
 - Training costs related to implementing technology
- Purchasing of services that improve overall organizational infrastructure. Eligible activities under this category include:
 - hiring staff or consultants to assist with:
 - developing database management systems
 - developing financial systems
 - developing meaningful use EHR systems
 - developing technology enabled services
 - developing internal quality monitoring and improvement systems
 - Building other administrative systems needed to increase the organization's ability to access and sustain new funding sources and deliver on the organization's mission
 - Purchasing of technology or other equipment for HCBS staff to support community-based services and programs
- One-time purchases of equipment to increase HCBS participant independence and community access (when purchases are not otherwise available by other dedicated funding sources, or otherwise covered services). Examples of projects may include, but are not limited to:

- Adaptive equipment to assist with community access, activities of daily living, and independence
 - Wheelchair ramp
 - Vehicle platform lift (VPL)
 - Ceiling lift
- Assistive technology – equipment, software program, or products/systems used to increase, maintain, or improve the functional capabilities for HCBS participants not otherwise available through the HCBS waiver or state plan Medicaid
- Other projects which meet the intent of improving, enhancing, or expanding Iowa's HCBS infrastructure
- Projects aligning with those described above and that have been implemented since April 1, 2021, are eligible for grant funds. Providers must include a detailed description of the project, its intended outcomes, and a detailed budget to support the request for funds.

Funding

The department will assess the amount of proposed funding along with the number of participants the project(s) would affect. Entities may submit proposals for more than \$100,000, with the knowledge they may not be funded for the entire amount. Entities should entertain fundraising or identify other sources of funding to supplement any funding gaps.

Funding Restrictions

All awarded funds have the following restrictions:

- Funds shall not be used for the purchase or development of multi-family units serving more than five (5) individuals, including apartments and duplexes.
- Funds shall not be used for anything other than the projects specified in the project proposal.
- Funds shall not be used to pay for administrative costs or clinical care.
- Funds shall not be used to pay for indirect costs. All costs must be related to the project proposal and be outlined and justified in the budget.
- Funds shall not be used for wages, retention, or other bonuses for staff.
- Funds shall not be used for disposable or single-use items for a single person. Projects must be for the benefit of individuals served overall (as applicable). Evaluation of the project will reflect this restriction and proposals are subject to disqualification if for a single person only unless the project or item can be transferred or used multiple times.
- If awarded only a portion of the requested funding, and the submitted proposal application indicates the project can be completed with other funding sources, the project must be fully completed by March 31, 2024. Any unspent funds shall be remitted to the department.
- Entities must maintain complete records of fund expenditures and understand that project budgets are subject to potential post-payment review or audit.

Applying for Grant Funds

Agency providers enrolled under multiple national provider identifiers (NPIs) for eligible HCBS should list those NPIs and their corresponding tax ID number and pay-to-legacy numbers on the application. Providers should submit only one application per organization. Duplicate applications will be rejected.

Agency providers may apply for the Health IT and Infrastructure Grant funds beginning October 1, 2022. The application period will remain open until the funds allocated for this project have been expended. Providers may request grant funds by completing the [online application](#)³ and attestation and uploading the required documents and minority impact statement. The department will only accept complete applications which include the submission of the required documents listed below.

Proposals from entities that have multiple locations may be awarded for only one location or all locations at the department's discretion. Entities should indicate the location(s) in their proposal application. Entities can submit proposals for multiple projects (if applicable, submit one proposal application with all projects listed).

The Health IT and Infrastructure Grant application must include:

- **A Brief Project Description and Point of Contact (POC)**
 - Identify or name the entity submitting the application.
 - Provide a brief description and purpose of the project, in no more than five sentences.
 - Include total amount of funds requested.
 - Identify a POC for the application, including name, position/title, address, phone number, and email address.
- **Entity Information**
 - List the entity's current programs and activities.
 - Provide the entity's national provider identification (NPI) Number
 - Provide the entity's tax identification number (TIN)
- **Project Description**
 - Describe the project in detail explaining how it will enhance improve or expand HCBS
 - Provide a timeline of the project, purchases or expenditures using grant funds that shows major milestones for the project
 - If the applicant will be collaborating with any other entities (e.g., individuals, organizations, associations, facilities, etc.) on the initiative, the other entities should be identified. Include any entity and whether the entity will be applying for ARPA grant funds. Explain what specific deliverables the other entity is responsible for.

³ <https://www.tfaforms.com/5016328>

- **Budget**
 - Describe the budget for the project, including other funding sources and allocations. Include the source of the pricing as applicable.
 - Provide a detailed line-item budget proposal using a table format outlining the specific cost requirements within each of the following budget categories:
 - Personnel/consultants
 - Travel
 - Equipment purchases and rentals
 - Training
 - Cost of project activities to be undertaken by a sub-contractor. Each subcontractor is budgeted separately.
 - Other direct costs (expenses not covered in any of the previous costs)
 - Total indirect costs
 - If the entity is purchasing goods and services that are available from multiple sources, the entity must include three competitive quotes for the cost of any equipment, construction, and labor. The quotes shall be from businesses that comply with federal, state, and local laws as required.
 - Please note budget amounts for anything prohibited by the ARPA section 9817 guidelines or federal and state rules will be disallowed.
- **Sustainability Plan**
 - Describe the sustainability plan for the project after grant funds awarded have been exhausted.

Application Processing

- Iowa Medicaid Provider Services will record receipt of the applications, project descriptions, budgets, and MIS as they are received and notify the HCBS Quality Improvement Organization (QIO) project team.
- The ARPA HCBS QIO project team will verify that the provider submitting the application had claims paid during SFY21 and are in good standing with the department by sharing the provider listings with program integrity to ensure that the providers are not:
 - suspended or excluded from participation.
 - suspended from receiving payments.
 - under any other sanction or penalty.
- The ARPA HCBS project team will review a project and the associated budget and make a recommendation on the eligibility of the project and the amount of funds to distribute.
- During the bi-monthly award meeting, the ARPA HCBS team will review the recommendation for the award for each project and make a final determination on the eligibility and amount of the award. Providers or projects identified as not eligible will be notified by Provider Services.

- The process above will be repeated monthly until all project funds have been expended.

Distribution of Funds to Providers

- Each month the ARPA HCBS project team will approve the amount of ARPA project funds to be awarded to the providers applying during the prior month.
- The ARPA HCBS project lead will identify the amount to be distributed to each provider based on the approved project and budget and send the final agency provider listing to CORE services to enable the one-time payment to the provider.
- The provider will receive the gross payment on the regularly scheduled payment date the month following the month of application and award determination.

An FAQ will be posted to the department's [ARPA webpage](#)⁴.

If you have questions, please contact Iowa Medicaid Provider Services at 1-800-338-7909 or by email at imeproviderservices@dhs.state.ia.us.

⁴ <https://dhs.iowa.gov/ime/about/initiatives/ARPA>